Incentives for Khadi and Village industries

†2778. DR. D. MASTHAN:
SHRI RAJ MOHINDER SINGH:

Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that the prescribed incentives for Khadi and Village industries are being reduced for the past few years;

(b) if so, whether it is also a fact that huge amount of discount to be given on Khadi is still outstanding;

(c) if so, the facts thereof and whether a memorandum regarding the problems of Khadi and Village industries has been given to Government recently; and

(d) if so, the problems mentioned in the memorandum and the decisions taken by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) No, Sir.

(b) No, Sir.

(c) Does not arise. The Government has received a few representations from various Khadi Institutions.

(d) The Khadi Institutions have, *inter alia*, given suggestions with respect to the rebate policy, financial assistance, reconstitution of Khadi and Village Industries Commission (KVIC) etc.

The Khadi rebate policy has already been declared on 1.6.2000. Regarding payment of rebate claims, adequate funds have already been provided to the KVIC against rebate claims. The financial assistance by the banks is provided to the institutions on the basis of the Interest Subsidy Eligibility Certificate (ISEC) issued by the KVIC, which in turn is based on the performance of the institution.

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†Original notice of the question was received in Hindi.

As regards, the reconstitution of the Commission, the Government has noted the suggestions.

Restructuring of KVIC

2779. SHRI VEDPRAKASH P. GOYAL: Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) what is the present status of restructuring of KVIC;

(b) whether it is true that the Board of KVIC is waiting to be restructured for more than a year;

(c) whether Government have any plan with time frame regarding restructuring of KVIC;

(d) whether Government have hired a foreign consultant if so, has it submitted its report; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) to (e) This Ministry has assigned a study to M/s Arthur Andersen (India) Pvt. Limited for restructuring the Khadi and Village Industries Commission (KVIC). The consultant is expected to complete the job by the end of October, 2000 and to submit its recommendations on the restructuring of the KVIC. The Government plans to discuss in detail the recommendations of the consultant with all the stakeholders before taking a final view on the restructuring.